SGGF IV

Saskatchewan Government Growth Fund IV Ltd.

Creating economic wealth and diversification
through investment of immigrant investor capital in Saskatchewan

2002 ANNUAL REPORT

SASKATCHEWAN GOVERNMENT
GROWTH FUND

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FUND PROFILE

Saskatchewan Government Growth Fund IV Ltd. ("SGGF IV" or the "Fund") is a government-administered venture capital fund pursuant to the Immigration Regulations, 1978 (Canada), as amended. It was formed to enable immigrant investors to invest in businesses operating in Saskatchewan and facilitate the investors' qualification as Canadian permanent residents under the Immigrant Investor Program.

FINANCIAL HIGHLIGHTS

- SGGF IV incurred a loss in 2002 of $562,000, resulting in an accumulated surplus of $472,000.
- Since SGGF IV's inception in 1997, investments made by the Fund total $32.1 million with $14.0 million invested in SMEs and $18.1 million invested in infrastructure loans.
- Income from investments and portfolio investments for the year was $1.6 million, compared with $1.8 million in 2001.

MESSAGE TO INVESTORS

The priority of Saskatchewan Government Growth Fund IV Ltd. in 2002 was the management of its investments to provide cash for payments to Noteholders on the maturities of their Notes, currently scheduled for 2003 and 2004.

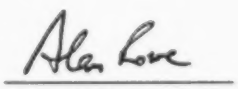
Prior to the maturity of Notes, the Fund prepares cash flow projections to estimate whether timing differences exist between planned liquidations of investments and scheduled payments to Noteholders. SGGF IV has determined that timing differences, which arise primarily because of the absence of an active market for investments in private companies, require that the payment to Noteholders on maturity of their Notes be set at $200,000. This will ensure that all Noteholders are treated equally. The cash flow projections are reviewed periodically and payments adjusted accordingly. If the assumptions underlying current forecasts prove to be correct, payment of additional amounts may be possible in late 2004.

The regulations of the federal immigrant investor program require that a minimum of 70% of each Note amount must be invested in eligible business, as defined by the regulations, for a minimum of five years. SGGF IV is currently completing a review to ensure that all Notes satisfy this requirement. Noteholders whose Note maturity may be extended will be advised during 2003.

In October 2002, Gary Benson retired as President of SGGF IV. Gary had been President since the inception of SGGF IV. In February 2003, Keith Rissling, who became a director in May 1999, retired from the Board. On behalf of the Board, we thank Gary and Keith for their contribution to SGGF IV. Alan Rowe was appointed President in October 2002, and Harwood Davies was elected as a director in February 2003.

In 2003, SGGF IV will continue to actively manage its remaining investments with a view to achieving for investors the best liquidation proceeds available in the prevailing circumstances. As significant new developments occur, such information will be provided to the Noteholders.

Joanne Forer
Chair



Alan M. Rowe
President

INVESTMENT PROFILES

The following are profiles of investments held by SGGF IV during 2002, including the total amount invested and a description of the companies' operations. The date of the initial investment in each company is noted in parentheses.

Big Sky Farms Inc. (November 1998)
$1,000,000 loan

Big Sky Farms, headquartered in Humboldt, Saskatchewan, operates a number of farrow to finish hog operations in Saskatchewan. These operations are among the largest hog production facilities in the province. The company expanded in 2002 to other areas of Saskatchewan.

ETEC Environmental Technologies Equipment Corporation. (February 2001)
$1,000,000 common shares and loan

ETEC, based in Saskatoon, develops and manufactures environmentally responsible equipment for the golf and turf maintenance market. In 2002, SGGF IV converted a loan into an equity position and advanced a new loan.

FarmGro Organic Foods Inc. (September 1999)
$1,250,000 loan

FarmGro Organic Foods, located near Regina, is an organic flour milling, cleaning and bagging facility for organic grains, specialty crops and seeds. In 2002, the company defaulted on its loan and a receiver has been appointed.

Flatland Exploration Ltd. (May 2001)
$1,750,000 loans

Flatland Exploration is a Regina-based company involved in the exploration, development and production of oil and natural gas. During 2002, the company was sold to Bulldog Energy Inc. and an additional loan was advanced.

Master Manufacturing Inc. (June 1999)
$750,000 loans

Master Manufacturing, located in Moose Jaw, Saskatchewan, manufactures a broad range of pre-engineered all-steel buildings and building components.

Nelson Environmental Remediation Ltd. (August 1999)
$1,300,000 loans

Nelson Environmental Remediation Ltd. provides soil reclamation and remediation services to owners of contaminated sites throughout western Canada, the United States and Europe.

Parkland Strawboard (1998) Inc. (June 2001)
$803,563 loans

Parkland Strawboard manufactures strawboard by a process of compressing wheat straw with a resin to create high-quality, moisture-resistant board used in both the furniture and construction industries. The company is located in Kamsack, Saskatchewan. In December 2002, the company discontinued production and is currently negotiating a refinancing with its owners and lenders.

Pelorus Navigation Systems Inc. (September 2000)
$500,000 loan

Pelorus is a Saskatoon-based company that develops advanced airport navigation landing systems using the global positioning system (GPS). It markets its product to airports around the world.

Star Biotech Inc. (January 1998)
$1,155,020 common shares

Star Biotech Inc. (formerly Biostar Inc.) is a Saskatoon-based biotechnology company using advanced technologies to develop and produce high value-added, bio-engineered vaccines for animals and humans. In 2000 SGGF IV's debt position was ccnverted to shares and Biostar sold its assets for a combination of cash and equity and royalty interests in other companies. SGGF IV's recovery on this investment is dependent on Star Biotech selling its equity and royalty interests.

Walker Seeds Ltd. (October 1999)
$750,000 loan

Located in Star City, Saskatchewan, Walker Seeds is a vertically integrated company that cleans, processes, bags and exports specialty crops including peas, lentils and birdseed. The company repaid its loan during 2002.

CAJON Leasing (December 2001)
$4,263,956 loans

CAJON, located in Regina, leases vehicles and other assets to Saskatchewan Crown corporations and other government-related entities.

R & R Leasing (December 2001)
$12,813,6 loans

R&R is based in Saskatoon and leases buildings, equipment and vehicles to Saskatchewan Crown corporations, other government-related entities and private enterprises.

MANAGEMENT DISCUSSION AND ANALYSIS

SGGF IV incurred a loss in 2002 of $562,000, resulting in an accumulated surplus of $472,000. The loss is primarily due to provisions for losses on investments.

In 2002, the focus of the Fund changed to the liquidation of investments in order to meet investor obligation repayments scheduled to begin in early 2003.

The investment policy of the Fund is to invest up to 50% of subscription proceeds in infrastructure loans in Saskatchewan, up to 30% in small and medium-sized enterprises ("SMEs") in Saskatchewan, and the remainder in high quality liquid debt securities. When the Fund was fully invested in 2000, 47.1% of the proceeds were invested in infrastructure loans and 24.4% in SME investments (59% debt, 41% equity).

The Fund has prepared cash flow projections which indicate that timing differences may exist between planned liquidations of investments and scheduled investor repayments as Notes become due in 2003 and later. In order to treat all investors equally, the payments on Notes at maturity will be reduced to $200,000. The payment of any amount in addition to the initial payment at maturity is dependent on the liquidation of investments, many of which are in private companies as required by the federal government regulations that govern immigrant investor funds. These investments typically have more risk than other types of investments. Any forecast of when such investments will be liquidated reflects a best judgment based on current information, and involves a number of risks and uncertainties and other factors that may cause actual results to differ materially from the forecast. If the assumptions underlying current forecasts prove to be correct, payment of additional amounts may be possible in late 2004.

SGGF IV continues to actively manage its remaining investments with a view to achieving for investors the best liquidation proceeds available in the prevailing circumstances.

The federal Immigrant Investor Program under which SGGF IV operates requires that the five year term to maturity of a Note be extended if, and for so long as, less than 70% of the amount of the Note is invested in the active business operations of eligible businesses in Saskatchewan.

Investment Activities

In 2002, $807,000 was invested in loans to three SMEs already in the portfolio. In 2001, $12.6 million was invested with $9.9 million in infrastructure loans and $2.7 million in SMEs to three new investees and one existing investee.

Since SGGF IV's inception in 1997, investments made by the Fund total $32.1 million with $14.0 million invested in SMEs and $18.1 million invested in infrastructure loans. Of the total investment in SMEs, 78% has been in the form of loans, and 22% in the form of equity.

One SME debt investment with a book value of $604,000 was repaid in full in 2002 and included a $46,000 early repayment penalty. Payments on infrastructure loans totaled $3.1 million.

At December 31, 2002, the investment portfolio totaled $13.4 million, compared with $17.1 million a year earlier. Investments consisted of loans to ten companies totaling $13.3 million (2001 – eleven companies, $17.1 million) and investments in the equity of two

companies totaling $802,000, (2001 – one company, $52,000). Provisions for losses total $794,000, compared with nil at the end of 2001. In addition, the statement of financial position includes $18.9 million in cash and portfolio investments, compared with $15.4 million at December 31, 2001.

Income from investments and portfolio investments for the year was $1.6 million, compared with 2001 when $1.8 million was earned. The decrease reflects the reduction in investments and reinvestment in lower-yielding portfolio investments.

The charge to income for investment losses in 2002 was $795,000 (2001 - $1.5 million). This provision adjusts impaired investments to their estimated net realizable value. The provision relates to one loan for which the Fund has commenced proceedings to enforce its security.

In 2001, companies with which SGGF IV was associated sold assets that were used in their leasing business. SGGF IV extended $9.9 million in loans to the acquirers to purchase the assets. Repayment of the loans to SGGF IV is on essentially the same terms as were the loans to the vendor. Revenue from operating leases, net of amortization of equipment on lease, totaled $609,000 in 2001.

Investor Activities

At December 31, 2002, obligations to investors totaled $32.0 million, comprised of 128 Notes (2001 – $32.5 million comprised of 130 Notes). Of the 128 Notes outstanding at December 31, 2002, 57 are scheduled to mature in 2003 and 71 in 2004. Two visa refusals were processed during the year, resulting in a refund of the investors' Notes.

As noted above, payments at maturity on Notes will be limited to $200,000. Interest is accrued on the remaining obligations outstanding under the Notes after maturity and will be paid only if and when cash is available after repayment of the remaining principal amounts.

Obligations under the Notes are subordinate to all other liabilities of SGGF IV and repayment is dependent on the proceeds on liquidation of investments and all other available liquidity in excess of other liabilities.

In accordance with the terms of the Confidential Offering Memorandum for SGGF IV, interest was paid on all Notes outstanding at December 31, 2002. Total interest expense recorded in the year was $483,000, compared with $494,000 in 2001.

Operating Activities

Administration costs reflect expenditures related to the ongoing operations of the Fund and its investments. As a percentage of average total assets managed, these costs, excluding future fees, amounted to 1.79% in 2002 and are comparable to 1.73% in 2001.

Administration costs of $420,000 include a reduction of $184,000 (2001 - $56,000 increase) in the provision for fees payable in the future to the manager and investment advisors based on the performance of funds under management by the manager and advisors. Management fees in the year totaled $563,000, compared with $575,000 in 2001.

The provision of administration and investment advisory services to SGGF IV is contracted to Crown Capital Partners Inc. The manager is paid a monthly fee for its services and will receive a performance fee based on the retained earnings, if any, of SGGF IV after all investor obligations are repaid in full and all investments have been liquidated.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

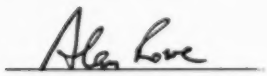
The President and fund manager of the Saskatchewan Government Growth Fund IV Ltd. are responsible for management of the Fund. The accompanying financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, and necessarily include amounts which are based on informed judgement and management estimates. Financial data presented elsewhere in this annual report is consistent with that in the financial statements.

Ensuring the integrity and objectivity of financial information is an integral part of management's responsibility. Management maintains an appropriate system of internal accounting and administrative controls, policies and procedures to provide reasonable assurance that all transactions are authorized, financial records are complete and accurate, and assets are safeguarded against loss.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board has reviewed and approved these financial statements.

Deloitte & Touche LLP, the corporation's independent auditors, have examined the financial statements of the corporation. Their responsibility is to conduct an independent and objective audit and to report on the fairness of presentation of the corporation's financial position, results of operations and cash flows as shown in the financial statements. The Auditors' Report outlines the scope of their examination and their opinion.

On behalf of management,



Alan M. Rowe, C.A.
President

Mike Merth, C.A., C.M.A.
Crown Capital Partners Inc.

AUDITORS' REPORT

To the Shareholder of Saskatchewan Government Growth Fund IV Ltd.:

We have audited the statement of financial position of Saskatchewan Government Growth Fund IV Ltd. as at December 31, 2002, and the statements of operations and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
February 7, 2003

FINANCIAL STATEMENTS

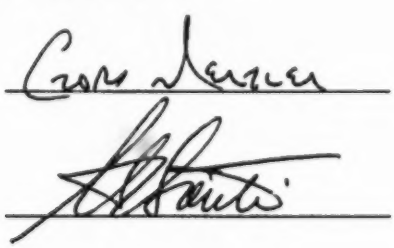
Saskatchewan Government Growth Fund IV Ltd.
(Incorporated under The Business Corporations Act of Saskatchewan)
Statement of Financial Position
As at December 31

	2002	2001
Assets		
Cash	$ 5,461,691	$ 5,036,545
Portfolio investments (Note 4)	13,415,596	10,364,247
Accounts receivable and accrued income	266,612	703,549
Investments (Note 5)	13,386,837	17,106,196
Deferred costs (Note 6)	519,261	1,059,824
	$ 33,049,997	$ 34,270,361
Liabilities and Shareholder's Equity		
Accounts payable and accrued liabilities (Note 7)	$ 412,386	$ 553,260
Commissions payable	164,750	182,250
Obligations to investors (Note 8)	32,000,000	32,500,000
	32,577,136	33,235,510
Share capital (Note 9)	1,000	1,000
Retained earnings	471,861	1,033,851
	472,861	1,034,851
	$ 33,049,997	$ 34,270,361

Commitments (Note 14)

See accompanying notes to the financial statements

On behalf of the Board:



Gordon Mertler
Director

Lloyd Boutilier
Director

Saskatchewan Government Growth Fund IV Ltd.
Statement of Operations and Retained Earnings
For the Year Ended December 31

	2002	2001
Revenues		
Interest from cash and portfolio investments	$ 573,383	$ 635,315
Income from investments	1,040,225	1,151,675
Lease revenue	-	3,122,194
Other income	25,448	28,500
	1,639,056	4,937,684
Provision for credit losses	794,984	1,547,850
Net revenue	844,072	3,389,834
Expenses		
Administration (Note 11)	419,669	673,914
Interest on obligations to investors	483,330	493,685
Amortization of equipment on operating leases	-	2,513,090
Amortization of deferred costs	503,063	497,372
	1,406,062	4,178,061
Net loss	(561,990)	(788,227)
Retained earnings, beginning of year	1,033,851	1,822,078
Retained earnings, end of year	$ 471,861	$ 1,033,851

See accompanying notes to the financial statements

Saskatchewan Government Growth Fund IV Ltd.
Statement of Cash Flows
For the Year Ended December 31

	2002	2001
Cash flows from operating activities		
Net loss	$ (561,990)	$ (788,227)
Adjustments:		
Amortization of equipment on operating leases	-	2,513,090
Amortization of deferred costs	503,063	497,372
Provision for credit losses	794,984	1,547,850
Amortization of premium and discount on bonds	24,949	18,935
Net change in non-cash balances related to operations (Note 12)	316,063	(172,069)
Cash flows from operating activities	1,077,069	3,616,951
Cash flows from investing activities		
Purchase of portfolio investments	(11,982,485)	(24,883,182)
Sale of portfolio investments	8,906,284	23,934,565
Disbursements on investments	(806,956)	(12,639,103)
Repayments of investments	3,731,234	2,879,668
Sale of equipment on operating leases	-	9,989,097
Cash flows from investing activities	(151,923)	(718,955)
Cash flows from financing activities		
Repayment of obligations	(500,000)	(750,000)
Cash flows from financing activities	(500,000)	(750,000)
Net increase in cash	425,146	2,147,996
Cash, beginning of year	5,036,545	2,888,549
Cash, end of year	$ 5,461,691	$ 5,036,545
Interest paid during the year	$ 483,329	$ 497,435

See accompanying notes to the financial statements

Saskatchewan Government Growth Fund IV Ltd.
Notes to the Financial Statements

1. Status of the corporation

Saskatchewan Government Growth Fund IV Ltd. ("SGGF IV") was incorporated in December 1994 under The Business Corporations Act of Saskatchewan and has been accepted as a government administered venture capital fund under the federal government's Immigrant Investor Program ("IIP"). Under this program, SGGF IV was established to raise $35,000,000 through a note offering. Each note is a 1.50% unsecured, subordinated debt instrument with a cost of $250,000, repayable in five years provided that 70% of the proceeds are invested in eligible businesses ("Notes") throughout the five year period. SGGF IV commenced commercial operations in 1997 and achieved its minimum offering of 14 investors in May 1997. The marketing period for SGGF IV ended on March 31, 1999.

The Confidential Offering Memorandum ("Memorandum") and the IIP prescribe various conditions which qualify an investment as an eligible business, including a requirement that the business be Saskatchewan based and have assets, including assets of associated companies, of less than $35 million.

As stated in the Memorandum, the Government of Canada and the Government of the Province of Saskatchewan offer no guarantees or assurances on the financial performance of SGGF IV or of a return of an investor's original investment and neither government will be liable for any loss or damages suffered by an investor as a result of an investment in the Notes.

2. Significant accounting policies

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are considered significant:

Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed quarterly and, as adjustments become necessary, they are reported in the Statement of Operations and Retained Earnings in the period in which they become known.

Portfolio investments

Term Deposits and Government of Canada Treasury Bills ("T-Bill") are valued at cost. Government of Canada Bonds ("Bond") are valued at amortized cost.

Investments

Investments include debt and equity investments in private companies. Income from debt investments is recognized as earned and income from equity investments is recognized when received.

Debt investments are carried at cost, net of provisions for credit losses.

Provisions for credit losses are established on impaired debt instruments ("loans"). A loan is considered to be impaired if, as a result of a deterioration in credit quality, there is no longer reasonable assurance of the timely collection of the full amount of principal and interest. Any loan on which contractual payments are in arrears for 90 days or more is usually assumed to be impaired. Other factors that are considered in determining whether a loan is impaired include the overall credit quality of the borrower and the fair value of the underlying security. When a loan becomes impaired, recognition of interest income ceases. A provision for specific credit losses is established for impaired loans to reduce their value to the estimated fair value of the security underlying the loan. If the credit quality of the loan subsequently improves a provision is reduced or reversed.

Investments in equities are carried at the lower of cost and, where a loss in value that is other than temporary has occurred, net realizable value. Investments that are evaluated as possibly being subject to a loss in value are assessed periodically based on appropriate criteria, including past operating results of the investee, financial outlook of the investee, recent capital transactions, and their associated value, between the investee and arm's length parties, and liquidity or going concern problems of the investee.

When a decline in the value of an equity investment is no longer considered to be temporary, the investment is written down and carried at the written down value until disposal of the equity investment.

SGGF IV intends to dispose of its investments in due course. Accordingly, investee companies over which SGGF IV has significant influence are not consolidated.

Deferred costs

Deferred costs include consulting, legal, administrative, accounting, general and printing costs associated with SGGF IV's offering. Commissions paid or payable on subscriptions received have also been deferred. Deferred costs, including commissions, are amortized over five years from date of Note issuance.

Commissions payable

According to the terms of marketing agreements entered into by SGGF IV, a commission is payable to the independent marketing agents selling the Notes upon the issuance of the investor's immigrant visa.

Obligations to investors

Obligations to investors represent the Notes issued to investors of SGGF IV. Their investment helps to satisfy a portion of their visa requirements under the IIP. Interest to the maturity date on Notes is accrued at an annual rate of 1.50% from the date of Note issuance until maturity and is paid annually on December 31 and at maturity and thereafter is accrued on any remaining balance outstanding.

3. Provisions of the IIP

Minimum holding period and maturity of the Notes

A Note is issued to evidence receipt of the subscription deposit on the date that at least 70% of the subscription deposit is invested in eligible businesses. Each Note is scheduled to mature five years from such date, provided SGGF IV maintains at least 70% of the Note continuously invested in the active business operations of eligible businesses for five years following the issuance date. The IIP contains provisions that require the maturity date of a Note be extended

if, and for such period that, a minimum of 70% of the Note amount ceases to be invested in the active business operations of eligible businesses.

4. Portfolio investments

Security	Rate (%)	Maturity Date	Par ($)	2002 Cost ($)	2001 Cost ($)
T-Bill	3.39	22/5/03	4,100,000	3,966,299	-
Bond	5.75	1/6/03	2,400,000	2,410,506	2,431,520
T-Bill	2.94	4/12/03	1,000,000	972,890	-
Term Deposit	3.05	9/12/03	3,592,400	3,592,400	-
Bond	5.00	1/9/04	1,500,000	1,495,313	1,492,635
Bond	6.00	1/9/05	960,000	978,188	984,800
T-Bill	4.40	28/2/02	1,000,000	-	960,070
T-Bill	4.43	23/5/02	1,037,500	-	995,222
Term Deposit	2.64	9/12/02	3,500,000	-	3,500,000
				$ 13,415,596	$ 10,364,247

Market value at December 31, 2002 is $13,532,212.

5. Investments

	2002	2001
Debt instruments	$ 13,378,302	$ 17,053,911
Equity instruments	802,285	52,285
Provision for credit losses	(793,750)	-
	$ 13,386,837	$ 17,106,196

Included in investments is $2,680,189 (2001 – $1,292,520) of impaired investments, net of accumulated provision for credit losses of $793,750 (2001 - $nil), upon which income is not accrued. During the year $1,331 (2001 - $1,767,991) of investments and costs have been written off.

During the year, investments decreased as follows:

	2002	2001
Balance, beginning of year	$ 17,106,196	$ 8,878,523
New investments	806,956	12,639,103
Book value of divestments	(3,731,234)	(2,879,668)
Investments and costs written off	(1,331)	(1,767,991)
Net change in provision for credit losses	(793,750)	236,229
Balance, end of year	$ 13,386,837	$ 17,106,196

6. Deferred costs

Deferred costs have been recorded net of accumulated amortization of $2,033,456 (2001 - $1,530,393).

7. Accounts payable and accrued liabilities

Included in accrued liabilities is a provision of $231,126 (2001 - $298,807) for future fees payable to various investment advisors under the terms of their respective investment services agreements. These amounts are payable to the investment advisors upon liquidation of the portfolio under their management and upon achievement of certain performance targets.

Included in accrued liabilities is a provision of $97,676 (2001 - $214,008) for future fees payable to the manager under the terms of a management services agreement. This amount is based on the retained earnings of SGGF IV and payable to the manager only upon liquidation of all investments and repayment of all Notes.

8. Obligations to investors

Notes – 1.50% unsecured subordinated Notes.

The obligation at December 31 is:	2002	2001
128 Notes (2001 - 130 Notes)	$ 32,000,000	$ 32,500,000

The following is the schedule of Note maturity dates under the terms of the Memorandum for the year ended December 31, 2002:

2003	$ 14,250,000
2004	17,750,000
	$ 32,000,000

As a result of differences in the timing of proceeds from investments and scheduled maturities of Notes, SGGF IV is required to reduce repayments on each Note that matures, beginning in January 2003, to $200,000.

Interest due on the remaining principal amount of each Note on which the principal is partially repaid will be accrued.

Obligations under the Notes are subordinate to all other liabilities of SGGF IV and repayment is dependent on the proceeds on liquidation of investments and other available liquidity in excess of other liabilities. The Notes are irrevocable, except in the case of a visa refusal, for a minimum period of five years.

9. Share capital

The authorized common share capital of SGGF IV at December 31 is:

Class A common shares - an unlimited number of voting common shares. Holders of the Class A common shares are not entitled to receive dividends.

Class B common shares - an unlimited number of voting common shares. Holders of the Class B common shares are entitled to receive dividends.

The issued common share capital at December 31 is:

	2002	2001
1,000 Class A common shares	$ 1,000	$ 1,000

10. Financial instruments

SGGF IV's primary business is the raising of capital from immigrant investors and placing these funds in new and expanding Saskatchewan businesses. This entails exposure to market risk, credit risk, interest rate risk and liquidity risk. These risk factors may impact upon SGGF IV's ability to repay its Notes at maturity.

Market Risk

Market risk is the risk that the fair value of an investment may be affected by the ability of an investee company to profitably distribute its products. Some of the companies in which SGGF IV invests are dependent upon a single product or industry. SGGF IV manages this risk through

careful due diligence prior to committing funds to the investment and by diversifying its investments across various industry sectors.

Credit Risk

Credit risk is the risk that an investee will fail to perform its obligations. Concentration of credit exposure may arise given that SGGF IV restricts its investments to businesses operating in Saskatchewan and therefore all investments are subject to a similar general economic environment. The ability of such investees to meet contractual obligations may be affected by changing economic, political or other conditions. SGGF IV conducts thorough due diligence prior to committing to an investment and actively monitors the financial health of its investees on an on-going basis. In addition, some investees operate in and export to other provinces or international markets thereby mitigating this risk.

Interest Rate Risk

Interest rate risk is the risk that SGGF IV's earnings will be affected by fluctuations in interest rates. SGGF IV manages this risk through careful monitoring and matching the duration of its portfolio investments and investments with the duration of its obligations to investors.

Liquidity Risk

Liquidity risk is the risk that SGGF IV will encounter difficulty in liquidating its investments at the time it is required to repay Notes. Due to the nature of some of SGGF IV's investments, the timing of cash flows from its investments may not exactly match with the payments owing under SGGF IV's Notes. SGGF IV carefully monitors the duration of its investments. However, timing differences may require SGGF IV to reduce or delay the payments owing on Notes at maturity.

Fair Value - Investments

There is no active secondary market for many of the entities in which SGGF IV invests, and the uncertainty and potentially broad range of outcomes pertaining to the future cash flows from these investments renders the calculation of a fair value with appropriate reliability impractical. The factors that affect the fair value are described above.

Fair Value - Obligations to Investors

No secondary market for the Notes exists. Due to the unique features associated with the Notes, the calculation of a fair value with appropriate reliability is impractical. The risk factors that affect the fair value of investments, as described above, also affect the fair value of obligations to investors. Repayment of these obligations at maturity is dependent upon the value and liquidity of investments at that time.

11. Administration

Under the terms of a management agreement, expiring in 2004, between SGGF IV and Saskatchewan Government Growth Fund Management Corporation ("SGGF Management Corporation"), SGGF Management Corporation administers the assets of SGGF IV with the assistance of a manager that performs fund administration and investment management together with several other investment advisors. SGGF Management Corporation does not guarantee the financial performance of SGGF IV. All services provided to SGGF IV are charged on a fee for service basis. The costs billed to the fund by SGGF Management Corporation are as follows:

	2002	2001
Manager fees	$ 562,651	$ 574,800
General administration	9,130	22,930
Directors fees and expenses	10,504	9,977
Legal and professional	21,397	9,877
	603,682	617,584
Provision for manager profit share	(116,332)	(163,163)
Provision for investment advisors profit share	(67,681)	219,493
	$ 419,669	$ 673,914

12. Net change in non-cash balances related to operations

	2002	2001
Accounts receivable and accrued income	$ 436,937	$ (136,431)
Deferred costs	37,500	37,500
Accounts payable and accrued liabilities	(140,874)	612
Commissions payable	(17,500)	(70,000)
Accrued charges payable to investors	-	(3,750)
	$ 316,063	$ (172,069)

13. Income taxes

A provincial Crown corporation owns all of the issued shares of SGGF IV. Therefore, SGGF IV is income tax exempt.

14. Commitments

The total amount of investments approved but not yet disbursed is $1,060,107 (2001 - $1,060,046).

15. Related party transactions

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan government controlled departments, agencies and corporations with which SGGF IV is related. Account balances resulting from these transactions are included in the Statement of Financial Position and are settled on normal trade terms.

As stated in Note 11, SGGF IV has a management agreement with SGGF Management Corporation. Total fees charged to the fund by SGGF Management Corporation amounted to $603,682 (2001 - $617,584). Total fees payable to SGGF Management Corporation at December 31, 2002, and included in the above, is $26,530 (2001 – $24,213).

Other transactions with related parties are disclosed separately in the financial statements and notes thereto.

16. Subsequent event

Subsequent to year end SGGF IV settled a legal claim against a former investee. Proceeds on settlement of $775,000 have not been reflected in these financial statements but will be recorded as investment income in 2003.

17. Comparative figures

The financial statements include the accounts of SGGF IV and, until November 30, 2001, those of *617275 Saskatchewan Ltd.* ("617275") on a proportionate basis. 617275 is an entity that was jointly controlled by SGGF IV and other SGGF fund companies. Loans from SGGF IV to 617275 were used to purchase infrastructure-related assets that were leased to Saskatchewan Crown corporations under various operating leases. In December 2001, 617275 sold its equipment assets, net of accumulated amortization, to a third party entity and a loan was extended to this entity by SGGF IV to purchase the assets.

Certain comparative figures have been reclassified to conform with the current year's presentation.

FIVE YEAR FINANCIAL SUMMARY
Saskatchewan Government Growth Fund IV Ltd.
(in thousands of dollars)

Financial Position
As at December 31

	2002	2001	2000	1999	1998
Assets					
Cash	$ 5,462	5,037	2,888	11,621	20,793
Portfolio investments	13,416	10,364	9,435	3,500	3,500
Investments	13,387	17,106	21,380	18,018	11,308
Other assets	785	1,763	2,179	2,606	3,450
Total assets	$ 33,050	34,270	35,882	35,745	39,051
Liabilities and Equity					
Obligations to investors	$ 32,000	32,500	33,256	34,042	37,558
Other liabilities	577	735	803	593	861
Equity	473	1,035	1,823	1,110	632
Total liabilities and equity	$ 33,050	34,270	35,882	35,745	39,051

Operating Results
For the years ended December 31

	2002	2001	2000	1999	1998
Revenues					
Investment income	$ 1,040	1,152	1,114	529	339
Lease revenue	-	3,122	2,817	1,762	309
Interest from cash and portfolio investments	573	635	747	831	576
Other income	26	29	23	228	128
	1,639	4,938	4,701	3,350	1,352
Provision for losses on investments	795	1,548	(39)	275	-
Net revenue	844	3,390	4,740	3,075	1,352
Expenses					
Administration	420	674	839	319	257
Financing	986	3,504	3,188	2,278	479
Total expenses	1,406	4,178	4,027	2,597	736
Net (loss) income	$ (562)	(788)	713	478	616

CORPORATE INFORMATION

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Lloyd Boutilier
Businessman
Regina, Saskatchewan

Darrel Cunningham
Farmer
Lintlaw, Saskatchewan

Harwood Davies
Businessman
Watrous, Saskatchewan

Roland ("Rollie") Hardy
Businessman
Regina, Saskatchewan

Gordon Mertler
Businessman
Regina, Saskatchewan

Fund Manager

Saskatchewan Government Growth Fund Management Corporation, which has retained Crown Capital Partners Inc. to provide management services.

Crown Capital Partners Inc.
Brian A. Johnson, C.F.A., Managing Partner
Alan M. Rowe, C.A., Partner Responsible for SGGF
Christopher J. Anderson, C.F.A., Partner
B. Cameron Johnson, C.A., C.F.A., Partner
Christopher A. Johnson, C.F.A., C.B.V., Partner
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SASKATCHEWAN GOVERNMENT
GROWTH FUND